(4)

No. 87-482

FILED
MAR 3 1988
JOSEPH F. SPANIOL, JR.
CLERK

In the Supreme Court of the United States

OCTOBER TERM, 1987

EASTER SEAL SOCIETY FOR CRIPPLED CHILDREN AND ADULTS OF LOUISIANA, INC., PETITIONER

v.

PLAYBOY ENTERPRISES, INC., ET AL.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

BRIEF FOR THE UNITED STATES AS AMICUS CURIAE

CHARLES FRIED
Solicitor General
JAMES M. SPEARS
Acting Assistant Attorney General
JOHN F. CORDES
DWIGHT G. RABUSE
Attorneys
Department of Justice
Washington, D.C. 20530
(202) 633-2217

13 pp

QUESTION PRESENTED

Whether under the "work made for hire" provisions of the Copyright Act of 1976, 17 U.S.C. 101 and 201(b), petitioner owned the copyright in a videotape made by a television station at petitioner's request but without its close supervision.

TABLE OF CONTENTS

	Page
Statement	1
Discussion	6
Conclusion	9

TABLE OF AUTHORITIES

Cases:

Aldon Accessories Ltd. v. *Spiegel, Inc.*, 738 F.2d 548 (2d Cir.), cert. denied, 469 U.S. 982 (1984) 3, 4, 6, 7, 8

Brunswick Beacon, Inc. v. *Schock-Hopchas Pub. Co.*, 810 F.2d 410 (4th Cir. 1987) 7

Evans Newton Inc. v. *Chicago Systems Software*, 793 F.2d 889 (7th Cir. 1986), cert. denied, No. 86-441 (Nov. 10, 1986) 7

May v. *Morganelli-Heumann & Assoc.*, 618 F.2d 1363 (5th Cir. 1980) 8

Statutes:

Copyright Act of 1976, 17 U.S.C. 101 *et seq.*:

§ 101, 17 U.S.C. 101 1

§ 201, 17 U.S.C. 201 1

§ 201(a), 17 U.S.C. 201(a) 1

§ 201(b), 17 U.S.C. 201(b) 1

Miscellaneous:

1 M. Nimmer, *Nimmer on Copyright* (1987) 2

In the Supreme Court of the United States

OCTOBER TERM, 1987

No. 87-482

EASTER SEAL SOCIETY FOR CRIPPLED CHILDREN AND ADULTS OF LOUISIANA, INC., PETITIONER

v.

PLAYBOY ENTERPRISES, INC., ET AL.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

BRIEF FOR THE UNITED STATES AS AMICUS CURIAE

This brief is submitted in response to the Court's invitation to the Solicitor General to express the views of the United States.

STATEMENT

1. Under Section 201 of the Copyright Act of 1976 (the Act), 17 U.S.C. 201, the copyright in a work "vests initially in the author or authors of the work" (17 U.S.C. 201(a)). In the case of so-called "works made for hire," "the employer or other person for whom the work was prepared is considered the author" and, "unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright" (17 U.S.C. 201(b)). Section 101 of the Act, 17 U.S.C. 101, defines two categories of works that constitute "works made for hire." One category, defined in

subsection (1), includes works "prepared by an employee within the scope of his or her employment."[1] The other, defined in subsection (2), includes works "specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire."

2. The present case arose in March 1982 when petitioner Easter Seal Society contracted with WYES, a New Orleans public television station, for the videotaping of a staged "Mardi Gras-style" parade and "Dixieland" jam session that petitioner proposed to broadcast as part of a forthcoming telethon. The parties made no agreement concerning copyright ownership. With a certain amount of direction from Easter Seal representatives, WYES created a five-hour "field tape" from which it then edited a 16-minute "master tape." The master tape was broadcast during the National Easter Seal Telethon. Pet. App. 2a-3a, 56a-58a.

Some time later, Julius Cain, WYES's director of broadcasting, was asked by a Canadian television producer to send him some Mardi Gras footage. Cain forwarded 40 minutes of tape copied from the Easter Seal field tape. Portions of that tape were thereafter incorporated as part of an "adult" film entitled "Candy, the Stripper" that was created, produced, and distributed by various entities, including respondent Playboy Enterprises, Inc. The film was shown nationally on cable tele-

---

[1] The Copyright Act contains no definition of the terms "employee" or "scope of employment." 1 M. Nimmer, *Nimmer on Copyright* § 5.03[B][1], at 5-12 (1987).

vision four times during two days in May 1983. One or more of the persons who had appeared in the Easter Seal field tape recognized themselves in the footage now contained in "Candy, the Stripper." Pet. App. 3a-4a.

In August 1983, petitioner brought an action in the United States District Court for the Eastern District of Louisiana, alleging copyright infringement (Pet. App. 4a). The district court granted partial summary judgment in respondents' favor (*id.* at 56a-70a). The court rejected petitioner's claim that under the work-made-for-hire provisions it owned the copyright to the field tape. The court found, first (*id.* at 61a), that because there was no written agreement designating the tape as a work made for hire, the tape could not fall within subsection (2) as a "specially ordered or commissioned" work. The court turned next (*id.* at 61a-68a) to whether the tape might be a work made for hire under subsection (1), on the ground that in making the tape WYES was an "employee" of Easter Seal acting "within the scope of [its] employment." Applying the standard elaborated by the Second Circuit in *Aldon Accessories Ltd.* v. *Spiegel, Inc.*, 738 F.2d 548, cert. denied, 469 U.S. 982 (1984), the district court framed (Pet. App. 65a) the legal inquiry as "whether [petitioner] exercised such control and supervision over the work of WYES * * * during the creation of the Field Tape that WYES could be held to be an 'employee' acting within the 'scope of employment.' " The court reviewed the evidence (*id.* at 66a-67a) and concluded that WYES was an "independent contractor[ ] in the pure sense of the word when [it] created the Field Tape" (*id.* at 66a).[2] It accordingly con-

---

[2] In particular, the district court noted that while an Easter Seal representative had "organized the performers and produced the live parade and jam session," John Beyer, a WYES employee, "was responsible for the creation and production of the Field Tape which

cluded that petitioner could not claim copyright in the field tape on the premise that WYES was its "employee."

3. The court of appeals affirmed on other grounds (Pet. App. 1a-52a). Expressly rejecting (*id.* at 21a-32a) the analysis of the Second Circuit in *Aldon Accessories,* the court applied what it termed a "literal interpretation" (*id.* at 16a) of the work-made-for-hire provisions.[3] Under that interpretation, the court of appeals stated (*ibid.* (footnote omitted)), "a court should first determine—using agency law rules—whether or not the seller is an employee or an

---

memorialized the live event." Beyer "use[d] his expertise to achieve the desired result on videotape"—including "arrang[ing] camera angles"; "ensur[ing] that the lighting was adequate for videotaping purposes"; and "ensur[ing] that the live music could satisfactorily be recorded on audiotape." Beyer was also "completely responsible for the direction and supervision of the * * * crew who physically controlled all the necessary taping equipment." By contrast, petitioner's "contribution in the form of ideas, and * * * minimal involvement in the planning of the shoot was that normally expected from a client and did not render [petitioner] the author of the Field Tape." Pet. App. 66a-67a.

[3] The court also discerned in two district court decisions a third, so-called "conservative" interpretation of the work-made-for-hire provisions (Pet. App. 19a-21a). Under that approach, the court explained, "[i]f the work was undertaken at the instance and expense of the buyer, and if the buyer had the *right* to control the work, regardless of whether or not the right was exercised, then the seller was a (legal) employee within the meaning of [subsection (1) of the work-made-for-hire provisions]" (*id.* at 19a (emphasis in original)). The court added (*id.* at 19a-20a), however, that even if the buyer prevails under that prong of the conservative test, the seller will nonetheless own the copyright if a work falls within one of the nine categories in subsection (2) and there is a written agreement treating the work as a work-made-for-hire. The court rejected the conservative approach (*id.* at 20a-21a), noting that it ignored the statutory changes effected by the Copyright Act of 1976. It also observed (Pet. App. 20a) that even the few cases that have applied the conservative standard would have been decided the same way had a different test been applied.

independent contractor. Then, the court should apply the statute." The court explained that if the seller of the work is an "employee" under agency principles, then subsection (1) of the work-made-for-hire provisions applies; and under subsection (1), if the work was made within the scope of employment, the employer is deemed to be the author. If, on the other hand, the seller is an independent contractor under agency principles, then subsection (2), covering "specially ordered or commissioned" works, applies; in that event, the employer will be deemed to be the copyright author only if the work falls within one of the nine categories enumerated in subsection (2) and there is a written instrument that designates the work to be a "work made for hire."[4]

Applying the "literal" interpretation (Pet. App. 35a-37a), the court held that WYES owned the copyright in the field tape and therefore affirmed the judgment of the district court. It noted (*id.* at 37a) that petitioner had "never contended that WYES was not an independent contractor hired to create the disputed work." Under the court's analysis, therefore, subsection (2) of the work-made-for-hire provisions applied; and because there was no agreement designating the tape as a work made for hire, WYES was therefore the copyright owner. The court observed, however (*id.* at 36a), that petitioner "would probably lose on its claim that the field tapes were 'works made for hire' under any view of the 1976 Act." Indeed, the court surmised, even the so-called "conservative" approach—which

---

[4] The court explained (Pet. App. 34a) that "[t]he 'literal' interpretation of the 1976 Act has more in its favor" than the two competing approaches it had discerned in the case law. In particular, the court found that its preferred approach "makes sense" out of the statutory provisions, "ties the meaning of 'work for hire' to a well-developed doctrine in agency law," and "gives buyers and sellers the greatest predictability" (*id.* at 34a-35a).

treats buyers of works most favorably—"might not get [petitioner] to the promised land" (*id.* at 36a-37a).

DISCUSSION

Petitioner challenges the Fifth Circuit's interpretation of the work-made-for-hire provisions of the Copyright Act of 1976. We agree that the courts of appeals have adopted conflicting interpretations and that the issue may well warrant resolution by this Court. In our view, however, the outcome of the present case would not have been different under a different interpretation of the work-made-for-hire provisions. Accordingly, the case is not an appropriate vehicle for resolving the issue on which the lower courts are divided. We therefore conclude that certiorari should be denied.[5]

1. The plaintiff in the *Aldon Accessories* case was a designer and marketer of figurines and other decorative items for the home. In 1977, one of its principals conceived the idea of designing a line of statuettes depicting mythological creatures. After contracting with certain overseas artisans to fashion the items, the principal went abroad and actively oversaw the process by which the figurines were created. Holding that the plaintiff was the owner of the copyright in the merchandise, the Second Circuit reasoned (738 F.2d at 552) that while the foreign concerns were independent contractors, they had been "sufficiently supervised and directed by the hiring party to be considered 'employees' acting within 'the scope of employment.' " The court therefore applied subsection (1)

---

[5] Although the petition sets forth three questions presented (Pet. i), we believe that the question whether the Fifth Circuit has correctly interpreted the work-made-for-hire provisions is better addressed as a single question and have accordingly set out our views in that format.

of the work-made-for-hire provisions and upheld the plaintiff's claim.

The Seventh Circuit followed the *Aldon Accessories* interpretation in *Evans Newton Inc.* v. *Chicago Systems Software,* 793 F.2d 889 (1986), cert. denied, No. 86-441 (Nov. 10, 1986). That case involved a dispute about ownership of the copyright in a certain computer manual. Holding for the plaintiff, the court of appeals found that the manual was a work made for hire. The court explained (793 F.2d at 894) that plaintiff's president had "supervised and directed the work," and it noted that in fashioning the manual the defendant had "merely used [its] programming skills to produce the work according to [the plaintiff's] specifications."[6]

2. In the present case, the court of appeals expressly rejected (Pet. App. 21a-32a) the Second Circuit's analysis

---

[6] In *Brunswick Beacon, Inc.* v. *Schock-Hopchas Pub. Co.,* 810 F.2d 410 (1987), the Fourth Circuit distinguished *Aldon Accessories* on its facts, but did not dispute the Second Circuit's rationale. The court upheld a newspaper's copyright in certain advertisements that it had prepared and published at the request of advertisers. Rejecting the claim that the advertisers owned the copyright under the work-made-for-hire provisions, the court held, first (810 F.2d at 413), that because there was no agreement to treat the advertisements as works made for hire, subsection (2) could not apply. Moreover, the newspaper could not be characterized as an "employee" of the advertisers for purposes of subsection (1). While "the advertisers told the [newspaper] what they wanted, * * * there is no suggestion that they supervised [the newspaper's] employees as they developed the advertisements or directed the manner of the work's completion" (*ibid.*). Judge Hall dissented (*id.* at 414-415). In his view, the newspaper was an employee under subsection (1) because the advertisers "retained the right to control and supervise both the nature and content of the ads" (*id.* at 415). As far as we can tell, Judge Hall's dissenting opinion in *Brunswick Beacon* is the only court of appeals opinion that embraces what the Fifth Circuit characterized as the "conservative" interpretation of the provisions.

in *Aldon Accessories,* in favor of what it termed a "literal" approach to the work-made-for-hire provisions—*i.e.,* as we read the opinion, an interpretation under which subsection (1) reaches only those cases where the maker of the work is "literally" an employee of the claimant.[7] We agree with petitioner (Pet. 19-20) that the issue on which the lower courts are divided is important and may in the future warrant resolution by this Court. We believe, however, that this case is not an appropriate vehicle for doing so.

The district court in this case applied the *Aldon Accessories* standard but, on the facts presented, rejected petitioner's claim. The court observed (Pet. App. 66a-67a) that WYES's employee, John Beyer, had "use[d] his expertise to achieve the desired result on videotape" and that petitioner's role was limited to what would be "normally expected from a client." On the record below, the district court could not find that petitioner "exercised such control and supervision over the work of WYES and Beyer during the creation of the Field Tape that WYES could be held to be an 'employee' acting within the 'scope of employment' " (*id.* at 65a). Petitioner has not suggested that any of the trial court's findings are clearly erroneous.

The court of appeals applied a different legal standard but reached the same result. Indeed, the court observed (Pet. App. 36a) that petitioner "would probably lose on its claim that the field tapes were 'works made for hire' under any view of the 1976 Act." We agree. For that reason, we believe that the present case is not an appropriate vehicle for resolving the conflict in the Circuits concerning the work-made-for-hire provisions.

---

[7] Prior to the Fifth Circuit's decision in this case, the Ninth Circuit, in dicta, had endorsed a similar construction of the work-made-for-hire provisions. *May* v. *Morganelli-Heumann & Assoc.,* 618 F.2d 1363, 1368 n.4 (1980).

CONCLUSION

The petition for a writ of certiorari should be denied.
Respectfully submitted.

CHARLES FRIED
Solicitor General
JAMES M. SPEARS
Acting Assistant Attorney General
JOHN F. CORDES
DWIGHT G. RABUSE
Attorneys

MARCH 1988

U.S. GOVERNMENT PRINTING OFFICE: 1988—202-037/60329